



Training Proposal for:
Anritsu Company
Agreement Number: ET12-0218

Panel Meeting of: **December 16, 2011**

ETP Regional Office: **San Francisco Bay Area**

Analyst: D. Woodside

PROJECT PROFILE

Contract
Type: Priority/Retrainee
Retrainee - Job Creation

Industry
Sector(s): Manufacturing

Counties
Served: Santa Clara and San Diego

Repeat
Contractor: ☒ Yes ☐ No

Union(s): ☐ Yes ☒ No

Priority
Industry: ☒ Yes ☐ No

No. of Employees in CA: 534

No. of Employees Worldwide: 4,000

Turnover Rate %	Manager/ Supervisor %
5%	20%

FUNDING DETAIL

Program Costs	Substantial Contribution	Total ETP Funding
\$443,440	\$119,520	\$323,920

In-Kind Contribution
\$495,158

TRAINING PLAN TABLE

Job No.	Job Description (by Contract Type)	Type of Training	Estimated No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Priority/Retrainee	Manufacturing Skills, Computer Skills, Continuous Improvement, Advanced Technology	480	24-200	0-50	\$579	\$15.37
				Weighted Avg: 46			
2	Retrainee - Job Creation	Manufacturing Skills, Computer Skills, Continuous Improvement, Advanced Technology	50	24-200	0-50	\$920	\$12.81
				Weighted Avg: 46			

Minimum Hourly Wage by County: \$15.37 for Santa Clara County for Retrainees and \$12.81 for Job Creation New-Hires. \$14.81 for San Diego County for Retrainees and \$12.34 for Job Creation New-Hires.

Health Benefits: ☒ Yes ☐ No This is employer share of cost for healthcare premiums – medical, dental, vision.

Used to meet the Post-Retention Wage?: ☒ Yes ☐ No

Up to \$1.92 per hour may be used to meet the Post-Retention Wage.

Wage Range by Occupation	
Occupation Title	Wage Range
Production Staff	
Administrative Staff	
Business/Finance Staff	
Engineering/Technical Staff	
Project/Account Manager	
Technical Director	
Manager/Supervisor	

INTRODUCTION

In this proposal, Anritsu Company (Anritsu) seeks funding for retraining as outlined below:

Anritsu is the American subsidiary of Anritsu Corporation, a global provider of communications test and measurement solutions established 110 years ago. The company provides products and services for the development, manufacture, and maintenance of a range of communication systems used in mobile phones and the Internet. Anritsu technologies are also incorporated into products in other fields, such as Internet Protocol (IP) network equipment, inspection equipment for food and pharmaceutical products, and precision measuring instruments for electronic

components. Anritsu customers include Qualcomm, Sprint, T-Mobile, and many other telecommunications providers. Government entities, including the U.S. Army, also purchase from Anritsu. The company is headquartered and conducts manufacturing in Morgan Hill where it employs 534 Californians on a full-time basis. There is also a small sales office in San Diego with 10 workers who may participate in training.

Anritsu is eligible for ETP funding as a manufacturer and thus is in a priority industry. (Title 22, California Code of Regulations, Section 4416(i)(2).)

Retrainee - Job Creation

Anritsu proposes to retrain 480 full-time workers (Job Number 1) and 50 newly-hired employees (Job Number 2) under the Panel's Job Creation Guidelines. Job Number 2 trainees must be hired within 3-months before the date of project approval, or within the term of contract as long as training and retention can be completed within the term of the agreement. The ETP minimum wage requirement for Job Number 2 reflects the New-Hire wage and the reimbursement is at the New-Hire rate of \$20 for class/lab training.

Anritsu is committed to developing new products for existing and emerging wireless communications devices and networks, optical, and digital communications markets. This market includes the full range of services from measuring handset components to manufacturing/installation of base stations, and deployment and maintenance of the wireless infrastructure. Several technological changes have recently impacted Anritsu such as: 4G technology; Long-Term-Evolution Advanced (LTE-A) data traffic solutions; next generation networks; integrated test solutions, and WLAN technologies. The company states that its estimated investment in capital equipment and new technology for Fiscal Year 2012 will be approximately \$5.6 million.

PROJECT DETAILS

Anritsu will provide between 24 - 200 classroom/laboratory and up to 50 CBT hours in the types of training outlined below. All training will take place in Morgan Hill and will be delivered by qualified, experienced, in-house staff, and vendors.

Advanced Technology (AT): Anritsu is requesting the Advanced Technology (AT) hourly reimbursement rate of \$26 to cover a portion of its training. According to company representatives, the AT skills outlined in the curriculum will enable Engineering and Technical Staff including programmers, web developers, machinists; and program managers, supervisors and technical directors to identify and design "next generation products" for a global market. This training will provide trainees with skills to design and develop updated testing, tools, and techniques for new products such as 4G technology. Anritsu needs technical and engineering staff to be able to redesign production and repair areas to encompass the new 4G product lines, processes, chemicals and machinery. These courses will be taught by a combination of very costly and specialized external vendors and highly compensated internal technical staff.

AT training will also include advanced engineering design, mechanical design, new radio frequency (RF) and microwave technology, and LTE-A. Anritsu representatives report that the equipment and computers to be used for manufacturing new products including test and measurement components, wireless, optical and digital components and 4G products are extremely technical in nature and costly to design. Training requires a greater degree of interaction with the instructor and, therefore, a maximum of 10 students per one instructor in training is required. Staff recommends that the Panel approve the AT rate for this portion of the curriculum.

Computer Skills training will focus on managing more sophisticated data, maintaining data servers, updating database tools and programming systems to communicate with customers. Trainees across occupations who deal with customers, financial information, or other aspects of business intelligence need to learn these new computer tools. The benefit of this updated training on its proprietary computer systems will enable Anritsu to expand data management into additional markets.

Manufacturing Skills training will provide updated assembly, test, and equipment maintenance skills for Production Staff as well as supervisors and managers throughout the manufacturing process. In order to manufacture new products, skills in proper manufacturing practices, packaging/shipping, inventory management, and new equipment operation will be a primary focus of this training. Anritsu representatives report that the company has made a commitment to "World Class Manufacturing" in order to continue to own and operate manufacturing facilities in California while many of its competitors are taking advantage of lower costs off-shore.

Continuous Improvement training will be delivered to employees across occupations and represents the newest techniques, tools, and principles related to quality, productivity, and best manufacturing practices. An additional focus will be on communication with customers to ensure that satisfaction and product sales will be achieved in new products and technologies. Anritsu reports that it must also provide a newly created, standardized leadership training program to teach new and newly-promoted managers, technical directors, supervisors, team leaders and individual contributors how to balance the day-to-day demands of projects while at the same time keeping employees motivated and engaged. This training will provide common communication and leadership skills across the company and ensure that individuals responsible for coaching and communicating with others have the necessary skills.

Commitment to Training

ETP funding will not displace Anritsu's current resources for training. Anritsu reports that its current annual training budget for California non-ETP related training is estimated to be \$200,000. This ongoing training includes new hire orientation, product knowledge, temporary worker training, compliance training, health and safety, basic computer skills, and the funding of ad-hoc individual employee training requests.

During its previous ETP projects, Anritsu provided training primarily on manufacturing skills. These funds were used in training employees to prevent downtime, improve line efficiency, reduce defects and implement new production skills. This program differs from the previous Agreements in that Anritsu will be training its newly hired and current employees on how to design, market, and manufacture a new generation of test and measurement products. In addition, the proposed training is different in content from the company's on-going training, will be more in depth, and focus on new technologies to enhance product innovation and serve emerging markets. Anritsu anticipates that the opportunity for enhanced training made possible by ETP funds will encourage an ongoing financial commitment in this area.

Anritsu represents that safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

These trainees must be determined eligible to participate in ETP-funded training before the start of training, while on payroll with the temporary agency. However, the retention and post-retention wage requirements cannot be satisfied until after they have been hired by Anritsu. Until then, the company will not receive progress payments for trainees.

Temporary to Permanent Hiring

Trainees in both Job Numbers may receive training under Panel guidelines for “temporary to permanent” employment. Anritsu may retain some of these employees through a temporary agency, with the intention of hiring them into full-time, permanent positions after training.

These trainees must be determined eligible to participate in ETP-funded training before the start of training, while on payroll with the temporary agency. However, the retention and post-retention wage requirements cannot be satisfied until after they have been hired by Anritsu. Until then, the company will not receive progress payments for trainees.

Substantial Contribution

Staff imposed a 30% substantial contribution on Job Number 1 funding since there were two previous ETP-funded projects at Anritsu in the last five-year period which earned an aggregate in excess of \$250,000. In Job Number 2, Retrainee - Job Creation, no substantial contribution is required for funding.

RECOMMENDATION

For the reasons set forth above, staff recommends approval of this proposal.

PRIOR PROJECTS

The following table summarizes performance by Anritsu under previous ETP Agreements that were completed within the last five years:

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned
ET08-0484	Morgan Hill	04/26/08-04/25/10	\$288,000	\$288,000 (100%)
ET06-0153	Morgan Hill	09/06/05-09/05/07	\$322,452	\$217,227 (67%)

DEVELOPMENT SERVICES

Anritsu retained California Training Administration, Inc. (CTA) in San Jose to assist with development of this proposal for a flat fee of \$5,500.

ADMINISTRATIVE SERVICES

Anritsu also retained CTA to perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum**Class/Lab Hours**

24-200

Trainees may receive any of the following:

MANUFACTURING SKILLS

Analyzer Tools
Basics of 4G Technology
Digital Instruments
Basics of LTE-A Technology
Equipment and Workstation Safety
Failure Investigations
Field Technical application
Maintenance of Equipment
Manufacturing Document Training
Manufacturing Processes
Material Handling (Hazard/Non Hazard)
Measurement Tools & Technology
MW Technology (microwave)
New Equipment & Processes
New Product Assembly
New Product Knowledge/Certification
Operating New Production Equipment
Product Inspection/Reliability/Repair/Installation
Proper Manufacturing Practices
Proper Packaging/Storage Techniques
Recycling & Waste (WEEE/RoHS)
Basics of RF Technology (radio frequency)
Shipping & Receiving Techniques
Soldering Techniques
Technical Training Skills
Troubleshooting/Testing
Warehouse Inventory Procedures
Wireless Technology
Workflow Process
Workmanship/Industry Standards

COMPUTER SKILLS

Client Information System (CRM)
Design Tools
Database Tools
Document Control System
Electronic Inventory System
Information Technology System
Internet Tools
Microsoft 2010 Tools (Intermediate & Advanced)
Programming Tools & Languages
Project Tools
Sitemaster Management Tools
Systems Integration/Configuration

CONTINUOUS IMPROVEMENT SKILLS

Business Process Improvements
Cause Mapping
Conflict Management
Customer/Supplier Satisfaction
Data Analysis Tools
Effective Meetings
Delegation & Coaching
FMEA–Failure Mode Effective Analysis
GMP-Good Manufacturing Practices
Innovation
Leadership
New Quality Processes
Product & Process Improvement
Productivity Improvement
Problem Solving
Quality Awareness
Quality Management
Reliability
Technical Product Sales/Marketing
Workplace Communications
Project Management
Effective Business Presentation Skills
Product Marketing
VOC for Product Development (Voice of Customer)

ADVANCED TECHNOLOGY (AT)

4G Product Enhancements
LTE-A Advanced Features
Analyzer Technology
Bluetooth Applications
Cause Mapping Technical Tools
Design Guidelines
Hardware Modeling
Integration Solutions
Microwave Technology
New Product Design/Development
Product Design/Development (VOC)
Reliability/Innovation
Advanced RF (Radio Frequency) Techniques
Software Design
Telecommunication Products (TD-SCDMA)
Advanced Design & Test Techniques
Wireless/Landline Integration

CBT Hours

0-50

COMPUTER-BASED TRAINING (CBT)**COMPUTER SKILLS (1 to 7 hours per module)**

Database Tools (22 modules)
Information Technology Systems (5 modules)
Internet Tools (74 modules)
Microsoft Access (16 modules)
Microsoft Office Intermediate Tools (60 modules)
Microsoft Office Advanced Tools (15 modules)
Microsoft Project (18 modules)

CONTINUOUS IMPROVEMENT (1 to 8 hours per module)

Business Process Improvements (34 modules)
Conflict Management (10 modules)
Customer Satisfaction (23 modules)
Effective Meetings (9 modules)
Effective Presentations (4 modules)
Leadership/Coaching (74 modules)
Productivity Improvement (10 modules)
Project Management (32 module)
Technical Product Sales/Marketing (19 module)
Workplace Communications (37 modules)

* There are four-hundred and sixty two CBT modules. An excel list of individual modules will be provided to ETP with titles and standard times per module. The spreadsheet includes internal codes which correspond to the topics listed above.

Note: Reimbursement for retraining is capped at 200 total training hours per trainee regardless of the method of delivery. CBT is capped at 50% of total training hours, per trainee.